

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3256-02
Bill No.: HCS for HB 1318
Subject: Elementary and Secondary Education Dept; Employees - Employers
Type: Original
Date: April 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED\$0	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

*** Expected to exceed \$100,000**

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Administrative Hearing Commission** assume the proposed legislation would have no fiscal impact on their agency.

Officials from the **Joint Committee on Public Employee Retirement** stated that the proposed legislation would not affect retirement plan benefits as defined in Section 105.660 (5).

Officials from the **Public School and Non-Teacher School Employee Retirement Systems of Missouri** stated that there would be no fiscal impact to their retirement systems due to this legislation.

Officials from the **St Louis Public Schools** indicated no fiscal impact resulting from this legislation.

In response to the introduced version of this proposal, officials from the **Columbia Public Schools** were unable to project the fiscal impact of legal fees to implement and litigate due process issues and the expected increased cost of errors and omissions insurance.

Officials from the **Independence School District (ISD)**, in response to the introduced version of this proposal, indicated the following costs would be incurred to provide an employment examination for applicants for support staff (classified) positions in their district:

Training and related travel expenses for Facilities, Food Service, Transportation, 21st Century, and Central Office administrators in the Gallup Support Staff Perceiver

_____ \$1,700 training fee and \$1,500 travel expenses X 6 persons = \$19,200

Salary and benefits package for Administrative Assistant and Secretary to coordinate and score all employment examinations

Administrative Assistant = \$35,000

Secretary = \$23,000

Start-Up costs for two office positions = \$ 4,000

_____ Total Estimated Cost = \$81,000

ISD further stated that the above costs would produce a loss of district revenue because they are unfunded expenditures. The proposed legislation would also involve an expenditure of administrative time to deal with the resulting procedures to discipline and terminate support staff
ASSUMPTION (continued)

in public schools which would ultimately translate into a monetary cost to the district.

Officials from the **Kansas City Missouri School District (KCMSD)** indicated the KCMSD would incur the cost of developing, maintaining, and administering examinations to all applicants for non-certificated positions. KCMSD believes there would be significant increases in human resources and legal expenses if all permanent non-certificated employees would receive the same due process for removal afforded certified staff.

Officials from the **Springfield Public Schools** indicated they would incur costs of \$50,000 for the development of the examination and administering costs for FY 2003 and \$15,000 annually for on-going costs.

Officials from the **Department of Elementary and Secondary Education (DESE)** state there would be no fiscal impact on their agency. DESE does assume that while local public school districts could incur costs in instituting an examination and approval procedure, processes already in place could be extended to apply to removal situations involving non-certificated school employees.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS*	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>
* Expected to exceed \$100,000			

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION


This proposed legislation requires that non-certificated employees in urban and seven-director school districts be appointed and promoted pursuant to rules adopted by the local school board. During the probationary period, specified by board rule, an unsatisfactory employee may be dismissed 30 days after written notice if the employee does not improve. After the probationary period, permanent employees will receive the same due process for removal as teachers in the DESCRIPTION (continued)

district. Certificated teachers, superintendents, and principals are excluded.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Administration
Administrative Hearing Commission
Columbia Public Schools
Independence School District
Kansas City Missouri Public Schools
Springfield Public Schools
St Louis Public Schools
Joint Committee on Public Employee Retirement
Public School and Non-Teacher Employee Retirement Systems of Missouri



Mickey Wilson, CPA
Acting Director
April 18, 2002